

Adopted at Meeting of 9/20/73

RESOLUTION OF THE BOSTON REDEVELOPMENT AUTHORITY
RE: ESTABLISHMENT OF FAIR MARKET VALUE IN
CAMPUS HIGH SCHOOL URBAN RENEWAL AREA PROJECT NO.
MASS. R-129

WHEREAS, the governing body of the Authority (the Board) at a regular meeting on April 19, 1973, adopted a Resolution, entitled "Resolution of the Boston Redevelopment Authority Relative to the Establishment of Fair Market Value for Properties to be Acquired", and

WHEREAS, the parcels were appraised by at least two independent fee appraisers, were reviewed by staff appraisers, and the values recommended by the Real Estate Director and concurred in by the General Counsel;

NOW, THEREFORE, BE IT RESOLVED BY THE BOSTON REDEVELOPMENT AUTHORITY: THAT, the Fair Market Value of the parcels listed below are hereby established:

<u>Parcel No.</u>	<u>Owner</u>	<u>Price</u>
96B-1, 96B2-1, 96B-6, 96B-10 96B-11	Barney & Sumner E. Victor of KEM Realty Trust	\$1,088,000

Title to each parcel, when acquired, is to be in fee simple, free and clear of all reservations, encumbrances, and other exceptions to title, except:

1. Liens for any taxes that are not payable at the time of vesting title in the Local Public Agency;
2. Easements or other outstanding interests that have been designated as parcels to be acquired separately;

3. Easements or other interests that under the Urban Renewal Plan are not to be acquired;
4. Reservation of interests or rights, if any, in the former owner, if authorized and in accordance with Department of Housing and Urban Development policies and regulations.

None of the parcels covered by this request is now owned, nor was owned at any time after the Local Public Agency filed its first application for Federal assistance for, or Federal concurrence in, the Project, by (a) the Local Public Agency, (b) a member of its governing body, (c) an officer or employee of the Local Public Agency who exercises a responsible function in carrying out the Project, (d) the local government, (e) the Federal Government, or (f) a public entity or nonprofit institution which acquired the property from the Federal Government for a nominal consideration at a discounted price.

(x) No exceptions

() Except the following parcels:

COMMENTS

Project: CAMPUS HIGH SCHOOL

CERTIFICATE NO. 5 (Revision)

Parcel No. 96B-1, 96B-2-1, 96B-6, 96B-10, 96B-11

Assessment	\$ 188,700
First Appraisal (Hewitt)	1,088,000
Second Appraisal (Morrissey)	1,040,000
BRA Approved Price	1,064,000
Rec. Max. Acq. Price	\$1,088,000

A value of \$1,064,000 was established for this parcel at the meeting of the Authority on August 9, 1973.

An offer in this amount was rejected by the owners. Initially, they requested \$1,300,000 for the property. In subsequent meetings with them, they agreed to give the Authority an option to purchase the parcel for \$1,088,000.

As was stated in my comments submitted to the Authority on August 9, 1973, both appraisals are well documented with sales and rental data. I further stated that the value range is between the two appraisals.

Although the appraisers for the Authority differ in some of their income and expense estimates, their estimates of net income differ by less than 3%, and their value estimates by less than 5%.

The owners argued for a higher value based upon their contention that they lost a considerable amount of rental income over the past 5 or 6 years because of the threat of condemnation. They claimed that rentals were kept at a low level for fear of losing tenants and the consequent difficulty of re-renting the vacated space in an urban renewal area.

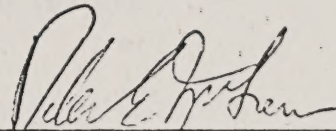
The Authority's appraisers gave consideration to this factor. Each estimated rental values approximately 10% higher than the actual rentals obtained in 1972.

Although I believe that the Authority's appraisers were fair in their rental estimates, I am also cognizant that the appraiser

Parcel Nos. 96B-1, 96B-2-1, 96B-6, 96B-10, 96B-11

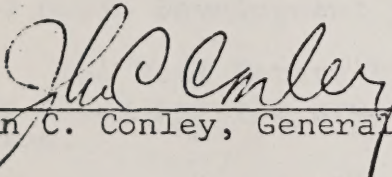
for the owners would have little difficulty in making a case for even higher rental values. An increase of only 10% above the estimates used by the Authority appraisers would yield an additional value of approximately \$200,000.

After giving consideration to the arguments advanced by the owner and his attorney, I am now of the opinion that \$1,088,000 is a reasonable estimate of the fair market value of this parcel, and that the owner's offer of settlement in this amount should be accepted by the Authority.



Robert E. McGovern
Real Estate Director

Concurred in by:



John C. Conley, General Counsel

EXECUTIVE SESSION

M E M O R A N D U M

September 20, 1973

TO: BOSTON REDEVELOPMENT AUTHORITY

FROM: ROBERT T. KENNEY, DIRECTOR

SUBJECT: CAMPUS HIGH SCHOOL PROJECT MASS. R-129
Establishment of Fair Market Value
Parcel Nos. 96B-1, 96B2-1, 96B-6, 96B-10, 96B-11
Certificate No. 5 (Revision)

It is requested that you approve and certify the fair market value of the parcels listed on the attached certificate.

The parcels have been appraised by Mr. Hewitt and Mr. Morrissey, two qualified, independent fee appraisers. The appraisals have been reviewed by staff appraisers, under the supervision of the Real Estate Director, in accordance with applicable State law, the Real Property Acquisition Policies Act of 1970, Public Law 91-646, and the Department of Housing and Urban Development policies and requirements.

The Real Estate Director is of the opinion that the prices for these parcels are reasonable estimates of their fair market value.

The General Counsel concurs with the prices recommended.

